

STATE OF MAINE
BUREAU OF FINANCIAL INSTITUTIONS

Office of the Conservator of QUADS Trust Company

ORDER RESIGNING AS CUSTODIAN OF CERTAIN ACCOUNTS AND
PLANS AND APPOINTING A SUCCESSOR CUSTODIAN OF
THOSE ACCOUNTS AND PLANS

WHEREAS, effective at 5:00 p.m. on January 31, 2007, the Superintendent of the Maine Bureau of Financial Institutions appointed Deputy Superintendent Donald W. Groves as Conservator of QUADS Trust Company ("QTC"), a Maine non-depository trust company having its principal place of business at 12 West Church Street, Frederick, Maryland (a/k/a the Firehouse Financial Center); and

WHEREAS, the Conservator has determined that QTC has insufficient financial resources to sustain operations, since pro forma cash flow projections indicate a cash flow deficit of approximately \$500,000 for the five month period from February 1, 2007 to June 30, 2007; and

WHEREAS, effective January 31, 2007, QTC's fidelity bond and errors and omissions insurance coverage was terminated by operation of the contract with its insurance carrier; and

WHEREAS, the Conservator has determined that the current state of QTC's computer systems is such that the risk of service disruption is unacceptably high; and

WHEREAS, the Conservator has determined that there is considerable uncertainty about how long QTC will be able to remain a tenant and therefore maintain its principal place of business at 12 West Church Street, Frederick, Maryland due to the default of QTC's parent, QUADS Financial Group, Inc., on a lease obligation to the co-owner of the property; and

WHEREAS, the Conservator has an obligation to conduct the business of QTC for the benefit of depositors, sponsors and beneficiaries of accounts or plans for which QTC is custodian; and

WHEREAS, the Conservator has determined that it is the best interests of owners sponsors and beneficiaries of 401(k) retirement plan accounts, 403(b)(7) retirement plan accounts, optional retirement plan ("ORP") accounts, 457 deferred compensation plans, individual retirement accounts ("IRA's"), and SAR/SEP retirement plans for which QTC is custodian, except for those accounts or plans with non-traditional assets (assets other than mutual funds, bank deposit accounts, and annuities), to sell those accounts or plans, including assignment of any payroll slots associated with these plans or accounts, to a custodian with greater financial and managerial resources;

WHEREAS, RSGroup Trust Company of New York, New York ("RTC") has demonstrated that it has the resources to sustain operations as QTC's successor custodian of 401(k), 403(b)(7), ORP, 457, IRA, and SAR/SEP accounts or plans; and

WHEREAS, RTC has agreed to purchase 401(k), 403(b)(7), ORP, 457, IRA, and SAR/SEP accounts or plans for which QTC is custodian, including any payroll slots associated with these accounts but excluding those accounts or plans with non-traditional assets, and RTC has agreed to:

1. Accept appointment as successor custodian for those accounts or plans;
2. Be responsible for all expenses associated with administering those accounts or plans, including accounting for revenue earned;
3. Be responsible for transferring any of those accounts or plans to other custodians, if sponsors or owners select an alternative custodian;
4. Take possession of and responsibility for all records and files relevant to those accounts or plans, including electronic data on computer systems of QUADS and its affiliates; and

WHEREAS, pursuant to 9-B M.R.S.A. § 363-A(1)(B), the Conservator has all rights, powers, privileges and authority possessed by the officers, governing body, corporators, members and investors of the financial institution; and

WHEREAS, pursuant to 9-B M.R.S.A. § 363-A(1)(B)(2), the Conservator has authority to execute, acknowledge and deliver all deeds, assignments, releases and other instruments necessary and proper to effectuate any sale of real or personal property or any compromise approved by the Superintendent; and

WHEREAS, QTC has executed an agreement with RTC providing that, effective 12:01 a.m. on March 1, 2007, RTC will assume full ownership of and responsibility for 401(k), 403(b)(7), ORP, 457, IRA, and SAR/SEP accounts or plans for which QTC is custodian, including any payroll slots associated with these accounts or plans, except for those accounts or plans with non-traditional assets; and

WHEREAS, pursuant to 9-B M.R.S.A. § 363-A(1)(B)(2), the Maine Superintendent of Financial Institutions has approved the aforementioned agreement between QTC and RTC;

THEREFORE, pursuant to the aforementioned agreement between QTC and RTC and

effective 12:01 a.m. on March 1, 2007, QUADS Trust Company simultaneously:

1. Resigns as custodian of all 401(k), 403(b)(7), ORP, 457, IRA, and SAR/SEP accounts or plans, except for those accounts or plans with non-traditional assets; and
2. Appoints RSGroup Trust Company as its successor custodian of all 401(k), 403(b)(7), ORP, 457, IRA, and SAR/SEP accounts or plans, except for those accounts or plans with non-traditional assets;

By Order of the Conservator of QUADS Trust Company this 22nd day of February 2007 at Gardiner, Maine



Donald W. Groves
Deputy Superintendent
Maine Bureau of Financial Institutions
Conservator of QUADS Trust Company

Appellate Rights

Pursuant to 9-B M.R.S.A. §363-A(10), any person aggrieved by the foregoing Order may bring an action challenging it in the Superior Court of Kennebec County at Augusta, Maine within ten (10) business days after receiving notice of the Order by any of those means prescribed by 9-B M.R.S.A. §363-A(10)(B).